

STATE OF RHODE ISLAND
PROVIDENCE SC

SUPERIOR COURT

RHODE ISLAND ECONOMIC
DEVELOPMENT CORPORATION

Plaintiff

v.

WELLS FARGO SECURITIES, LLC;
BARCLAYS CAPITAL, PLC; FIRST
SOUTHWEST COMPANY; STARR
INDEMNITY AND LIABILITY COMPANY;
CURT SHILLING; THOMAS ZACCAGNINO;
RICHARD WESTER; JENNIFER MACLEAN;
ROBERT I. STOLZMAN; ADLER POLLOCK &
SHEEHAN, P.C.; MOSES AFONSO RYAN
LTD.; ANTONIO AFONSO, JR.; KEITH
STOKES; and J. MICHAEL SAUL

Defendants

CA No. PC 12-5616

**ANSWER OF DEFENDANT KEITH STOKES
TO PLAINTIFF'S FIRST AMENDED COMPLAINT**

PREAMBLE

The Plaintiff, Rhode Island Economic Development Corporation ("EDC"), by and through their attorneys, would have the Court believe that EDC staff, EDC's counsel and EDC's financial advisors would conspire with 38 Studios, its officers, directors and shareholders, and placement agents to defraud the EDC Board by failing to disclose certain financial information to the EDC Board. This central premise of the EDC case belies reality. The Authorizing Resolution adopted by the EDC Board expressly acknowledges that the total capital need of 38 Studios was \$125 million dollars. Furthermore, the EDC Board was presented with financial projections showing that the capital need for 38 Studios through 2012 alone was at a minimum \$92 million dollars.

EDC alleges that the downfall of 38 Studios was inevitable because the financing provided through EDC was insufficient to meet the needs of 38 Studios. It is clear that 38 Studios needed

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additional money – this was known by all parties, including the EDC Board, which authorized a loan of less than the full amount of funds need by 38 Studios.

In its Complaint, EDC fails to account for its own actions (or lack thereof) by and through Governor Lincoln Chafee, the Chair of the EDC Board. Governor Chafee was an early and most vocal opponent of the 38 Studios transaction who, during his political campaign for Governor in 2010, famously threatened that he would hold accountable and sue those responsible for the transaction, even before the transaction had closed. Governor Chafee and as Chair of EDC Board, has made good on his threat by bringing this suit. Yet, Governor Chafee stood in the way of attempts by 38 Studios in late 2011 and early 2012 to restructure its debt or to raise additional capital. Governor Chafee refused to meet with executives of 38 Studios in late 2011 to discuss these matters and rebuffed efforts of such matters to be brought before the EDC Board for discussion and deliberation. These actions, among others, by Governor Chafee and as Chair of the EDC Board forced 38 Studios into bankruptcy, breached the fiduciary duties owed by Governor Chafee to the EDC and the State of Rhode Island, breached the EDC's obligations of good faith and fair dealing with 38 Studios, and breached the EDC's obligations to mitigate its damages and ultimately the damages to the State of Rhode Island.

Now comes the Defendant, Keith Stokes, and hereby answers the Plaintiff's First Amended Complaint (the "Complaint") as follows:

Parties

1. Stokes admits that the Rhode Island Economic Development Corporation ("EDC") was created by R.I. Gen Laws §42-64-1 et seq. The balance of the allegations contain certain statements to which no responsive pleading is required as the statutes speak for themselves and to the extent such a response is required Stokes denies said allegations. In further response Stokes avers

that R.I. Gen Laws §42-64-4 declares EDC to be a public corporation. The purposes of EDC are set forth in R.I. Gen Laws §42-64-5.

2. The allegations in paragraph 2 contain a recitation of certain statutory purposes set forth in the Rhode Island General Laws to which no answer is required. To the extent an answer is required Stokes denies the same. The quoted statutory references are not the statutory purposes of the EDC but rather are stated policies of the state set forth as legislative findings. The purposes of EDC are set forth in R.I. Gen Laws §42-64-5.

3. The allegations in paragraph 3 call for legal conclusions to which no answer is required. To the extent an answer is required Stokes leaves Plaintiff to its burden of proof thereon.

4. Stokes admits that Wells Fargo acted on behalf of the EDC in connection with the EDC's issuance of bonds in 2010. Stokes is without sufficient information to form a belief as to the truth of the balance of the remaining allegations in paragraph 4 of the complaint and therefore denies the same.

5. Stokes neither admits nor denies said allegations contained in paragraph 5 and therefore denies the same.

6. Stokes admits that First Southwest advised the EDC in connection with the EDC's loan to 38 Studios and the issuance of the Bonds that are the subject matter of the complaint. Stokes is without sufficient information to form a belief as to the truth of the remaining allegations in paragraph 6 of the complaint and therefore denies the same.

7. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 7 of the complaint and therefore denies the same.

8. Stokes admits the allegations contained in paragraph 8 of the complaint.

9. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 9 of the complaint and therefore denies the same.

10. Stokes admits the allegations contained in paragraph 10 of the complaint.

11. Stokes admits that Wester was the Chief Financial Officer of 38 Studios, LLC.

Stokes is without sufficient information to form a belief as to the truth of the remaining allegations contained in paragraph 11 and therefore denies the same.

12. Stokes admits that Adler Pollack is a Rhode Island corporation and law firm with its principal place of business in Providence, Rhode Island, that Adler Pollock was general counsel to the EDC from 1991 through January of 2011, that Stolzman was an employee of Adler Pollack, that Stolzman was the Secretary of the EDC and attended and took minutes of meetings of the EDC Board in his capacity as Secretary. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 12 and therefore denies the same.

13. Stokes admits that Moses Afonso is a Rhode Island corporation and law firm with its principal place of business in Providence, Rhode Island, that Moses Afonso provided professional services to the EDC, that Afonso attended several meetings of the EDC Board to provide advice concerning the transactions and legal requirements for issuance of the Bonds. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 13 and therefore denies the same.

14. Stokes admits the allegations contained in paragraph 14 of the complaint.

15. Stokes admits the allegations contained in paragraph 15 of the complaint.

Key Non-Parties

16. Stokes admits that 38 Studios, LLC is a Delaware limited liability company in the business of developing video games. Stokes is without sufficient information to form a belief as to the truth of the remaining allegations contained in paragraph 16 and therefore denies the same.

17. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 17 and therefore denies the same.

18. Stokes is without sufficient information to form a belief as to the truth of the remaining allegations contained in paragraph 18 and therefore denies the same.

19. Stokes admits the allegations contained in paragraph 19 of the complaint.

20. Stokes admits the allegations contained in paragraph 20 of the complaint.

Jurisdiction and Venue

21. Paragraph 21 contains statements and or conclusions of law to which no response is required. To the extent a response may be required, Stokes denies the allegations.

22. Paragraph 22 contains statements and or conclusions of law to which no response is required. To the extent a response may be required; Stokes neither admits nor denies the allegations but leaves the EDC to its proof thereon.

I. FACTS

A. Overview

23. Stokes admits that in 2010 the EDC Board was asked to consider and approve the issuance of \$75 million in bonds to finance a loan to 38 Studios to relocate to Rhode Island, admits that the transaction was conduit financing, admits that the EDC's Board members are unpaid, except for the Governor, admits that the EDC Board was advised regarding the risks in undertaking a transaction with 38 Studios prior to approving the transaction. Stokes is without sufficient

information to form a belief as to the truth of the remaining allegations contained in paragraph 23 and therefore denies the same

24. Stokes admits that the EDC Board was advised of a number of risks, including that 38 Studios had no proven track record. Stokes admits that the success of 38 Studio's depended, in part, upon the completion of Copernicus. Stokes admits that the EDC Board approved the loan and issuance of the Bonds, subject to certain terms and conditions. Stokes denies the balance of the allegations contained in paragraph 24 of the Complaint.

25. Stokes admits that 38 Studios failed in May of 2012, Stokes denies that the EDC Board was uninformed regarding the risks associated with the 38 Studios transaction, and Stokes denies that he knew or should have known of risks that he, Defendant Stokes, allegedly failed to disclose to the EDC Board regarding this matter. Stokes denies that the failure of 38 Studios was as a result of undisclosed risks. Stokes avers that the EDC Board was fully aware of all risks when it approved the transaction. Stokes further avers that actions of Governor Chaffee contributed to the failure of 38 Studios.

26. Stokes admits that EDC has sued the various defendants but denies any liability.

27. Stokes admits that the EDC Board knew that net proceeds 38 Studios would receive would be less than \$75 million. Stokes denies the allegations contained in paragraph 27 of the Complaint. Stokes avers that the April 1 projections were provided to the Chairman of the EDC Board, Governor Donald Carcieri, and made available to any Board Member who wanted to see them. Additionally, the EDC Board was provided with presentations that disclosed the capital needs of 38 Studios consistent with the April 1 projections.

28. Stokes denies the allegations contained in paragraph 28 of the Complaint.

29. Stokes denies the allegations contained in paragraph 29 of the Complaint.

30. Stokes denies the allegations contained in paragraph 30 of the Complaint.

31. Stokes denies that there were any material undisclosed risks or information about the loan to 38 Studios. Stokes is without sufficient information to form a belief as to the truth of the remaining allegations contained in paragraph 31 and therefore denies the same.

32. Stokes admits that the complaint pleads claims of intentional misconduct and negligent conduct but denies liability as to each and every claim. Stokes admits that EDC's claims of intentional misconduct include allegations set forth in paragraph 218 of the Complaint and the list enumerated in paragraph 32, but Stokes denies liability as to each and every claim.

Stokes denies the allegations in the below heading:

B. Defendants Knew or Should Have Known, But Failed to Inform the EDC Board, That 38 Studios was Destined to Fail According to 38 Studios' Own Financial Projections.

33. Stokes is without sufficient knowledge to form a belief as to the truth of the allegations contained in paragraph 33 of the Complaint and therefore denies the same.

34. Stokes admits the allegations contained in paragraph 34 of the Complaint.

35. Stokes denies the allegations contained in paragraph 35 of the Complaint.

36. Stokes admits the allegations contained in paragraph 36 of the Complaint.

37. Stokes admits that 38 Studios was seeking \$75 million in connection with the development of Copernicus. Stokes neither admits nor denies what language the "Term Sheet" contained as the document speaks for itself. Stokes denies the balance of the allegations contained in paragraph 37 of the Complaint.

38. Stokes admits that he knew the bonds would not be general obligation bonds and that the General Assembly would have to decide whether or not to appropriate funds to pay the

bondholders on a yearly basis in the event of a default by 38 Studios. Stokes denies the balance of the allegations contained in paragraph 38 of the Complaint.

39. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 39 and therefore denies the same.

40. Stokes denies the allegations contained in paragraph 40 of the Complaint.

41. Stokes denies the first sentence of paragraph 41. Stokes denies that the April 1 Projections contained an assumption that 38 Studios would receive net loan proceeds from the EDC of \$75 million. Stokes is without sufficient information to form a belief as to the truth of the remaining allegations contained in paragraph 41 and therefore denies the same.

42. Stokes is without sufficient knowledge to form a belief as to the truth of the allegations contained in paragraph 42 of the Complaint and therefore denies the same.

43. Stokes is without sufficient knowledge to form a belief as to the truth of the allegations contained in paragraph 43 of the Complaint and therefore denies the same.

44. Stokes is without sufficient knowledge to form a belief as to the truth of the allegations contained in paragraph 44 of the Complaint and therefore denies the same.

45. Stokes is without sufficient knowledge to form a belief as to the truth of the allegations contained in paragraph 45 of the Complaint and therefore denies the same.

46. Stokes is without sufficient knowledge to form a belief as to the truth of the allegations contained in paragraph 46 of the Complaint and therefore denies the same.

47. Stokes denies the allegations contained in paragraph 47 of the Complaint.

48. Stokes admits that 38 Studios would receive substantially less than \$75 million.

Stokes denies that the April 1 Projections were based on false assumptions and would not justify the

loan. Stokes is without sufficient knowledge to form a belief as to the truth of the remaining allegations contained in paragraph 48 of the Complaint and therefore denies the same.

49. Stokes is without sufficient knowledge to form a belief as to the truth of the allegations contained in paragraph 49 of the Complaint and therefore denies the same.

50. Stokes admits that he was provided with some Terms Sheets. Stokes is without sufficient information to form a belief as to the truth of the remaining allegations contained in paragraph 50 and therefore denies the same

51. The contents of the documents speak for themselves.

52. Stokes is without sufficient knowledge to form a belief as to the truth of the allegations contained in paragraph 52 of the Complaint and therefore denies the same.

53. Stokes admits that Exhibit 1 sets forth a calculation of \$17,221,912. Stokes admits the calculation in Exhibit 1 does not include relocation expenses and that if \$5 million were added to the \$17,221,912 it would add to \$22,221,912. Stokes denies the balance of the allegations contained in paragraph 53 of the Complaint.

54. Stokes denies the allegations contained in paragraph 54 of the Complaint.

55. Stokes denies the allegations made against him. Stokes is without sufficient information to form a belief as to the truth of the remaining allegations contained in paragraph 55 and therefore denies the same.

56. Stokes denies the allegations contained in paragraph 56 of the Complaint.

57. Stokes denies the allegations contained in paragraph 57 of the Complaint.

58. Stokes is without sufficient knowledge to form a belief as to the truth of the allegations contained in paragraph 58 of the Complaint and therefore denies the same.

59. Stokes denies the allegations contained in paragraph 59 of the Complaint.

60. As to the email quoted in paragraph 60 of the Complaint, Stokes admits that a portion of an email is quoted. The email speaks for itself. Stokes is without sufficient knowledge to form a belief as to the truth of the allegations contained in paragraph 60 of the Complaint and therefore denies the same.

61. Stokes is without sufficient knowledge to form a belief as to the truth of the allegations contained in paragraph 61 of the Complaint and therefore denies the same.

62. Stokes admits that paragraph 62 of the Complaint quotes part of an email. The email speaks for itself. Stokes denies the balance of the allegations.

63. Stokes is without sufficient knowledge to form a belief as to the truth of the allegations contained in paragraph 63 of the Complaint and therefore denies the same.

64. Stokes admits that no "internal credit memorandum", so-called, was submitted to the EDC Board. Stokes is without sufficient knowledge to form a belief as to the truth of the balance of the allegations contained in paragraph 64 of the Complaint and therefore denies the same.

65. Stokes denies any allegations in paragraph 65 of the Complaint that allege he misinformed the EDC Board or was aware of any misinformation supplied to the EDC Board. Stokes admits that a presentation was to be made to the EDC Board on June 9, 2010 that included a PowerPoint presentation. The PowerPoint presentation speaks for itself. Stokes denies the PowerPoint contained any misrepresentations. Stokes is without sufficient knowledge to form a belief as to the truth of the balance of allegations contained in paragraph 65 of the Complaint and therefore denies the same.

66. Stokes admits that a PowerPoint presentation was made to the EDC Board on June 9, 2010 during Executive Session and that the PowerPoint had been provided to Stolzman, Afonso and

Gurghigian. Stokes admits it contained a slide title "Company's Most Likely Projections". Stokes denies the balance of the allegations contained in paragraph 66.

67. With respect to allegations as to what the PowerPoint presentation stated, Stokes neither admits nor denies the allegations as the document speaks for itself. Stokes denies the balance of the allegations contained in paragraph 67 of the Complaint.

68. Stokes denies any allegations that the EDC Board was misled in any way or that he was aware of any misleading information and denies that he failed to provide the Board with information.

69. Stokes admits there was an executive session of the EDC Board on June 9, 2010 and that the minutes of the meeting speak for itself. Stokes denies any allegations that the EDC Board was misled or that he was aware of any misleading information and otherwise denies the balance of the allegations contained in paragraph 69 of the Complaint.

70. Stokes admits that the EDC Board was aware 38 Studios would receive net proceeds of less than \$75 million. Stokes denies the balance of the allegations contained in paragraph 70 of the Complaint.

71. Stokes admits that Saul met with representatives of Wells Fargo. Stokes neither admits nor denies the allegations concerning the email as the document speaks for itself.

72. With respect to the allegations concerning the PowerPoint presentation the document speaks for itself. Stokes admits the balance of the allegations contained in paragraph 72 of the Complaint.

73. Stokes admits the allegations contained in paragraph 73 of the Complaint.

74. The allegations contained in paragraph 74 of the Complaint do not require a responsive answer and as such Stokes leaves the EDC to its burden of proof thereon.

75. Stokes admits the allegations contained in paragraph 75 of the Complaint.

76. Stokes admits the allegations contained in paragraph 76 of the Complaint.

77. Stokes admits that as a placement agent, Wells Fargo would complete an offering memorandum which would include a disclosure involving the risks of a transaction and sell the Bonds on behalf and for the account of the EDC. Stokes admits the Bonds were conduit bonds and the financing was for 38 Studios. Stokes denies the balance of the allegations contained in paragraph 77 of the Complaint.

78. The allegations contained in paragraph 78 of the Complaint contain, in part, statements of law or legal assertions to which no responsive pleading is required. Stokes is without sufficient information to form a belief as to the truth of the remaining allegations and therefore denies the same.

79. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 79 of the Complaint as to whether the EDC Board placed “special” trust in certain defendants and whether the defendants “solicited the EDC Board’s dependence”. Stokes denies the allegations that the EDC Board Members were not experts in law, lending, video gaming or economic development and otherwise denies the balance of the allegations contained in paragraph 79.

80. Stokes is without sufficient information to form a belief as to what Wells Fargo “knew or should have known” and therefore denies such allegations. With respect to allegations as to what the PowerPoint slide state, the slides speak for themselves. Stokes denies the allegations contained in paragraph 80 of the Complaint.

81. Stokes admits that Wells Fargo presented a slide. The slide speaks for itself. Stokes denies the balance of the allegations contained in paragraph 81 of the Complaint.

82. Stokes admits that he along with the other parties identified in paragraph 82 of the Complaint were present at various meetings of the EDC Board. Stokes denies the balance of the allegations contained in paragraph 82.

83. Stokes admits the allegations contained in paragraph 83 of the Complaint.

84. Stokes neither admits nor denies the allegations contained in paragraph 84 of the Complaint as the documents speak for themselves. Stokes denies the allegations to the extent they mischaracterize the contents of the email.

85. Stokes admits that a draft term sheet was circulated, that a portion of an email is quoted, and that the reference to "letter" in the email is the current version of the Term Sheet. The email speaks for itself. Stokes denies the balance of the allegations in paragraph 85 of the Complaint.

86. Stokes is without sufficient information to form a belief as to the truth of the allegations concerning communications between Lamarre and MacLean and therefore denies the same. Stokes denies the balance of the allegations contained in paragraph 86 of the Complaint.

87. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 87 of the Complaint and therefore denies the same.

88. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 88 of the Complaint and therefore denies the same.

89. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 89 of the Complaint and therefore denies the same.

90. Stokes denies any allegations that he misled the EDC Board or that he failed to disclose information to the EDC Board. Stokes denies the balance of the allegations as of paragraph 90 as they relate to him. Stokes is without sufficient information to form a belief as to the truth of

the balance of the allegations contained in paragraph 90 of the Complaint and therefore denies the same.

91. Stokes admits the April 1 Projections project 38 Studios raising \$20 million in equity during 2012. Stokes denies the balance of the allegations contained in paragraph 91 of the Complaint.

92. Stokes admits that a revised term sheet was circulated and that a portion of the Term Sheet is quoted. The Term Sheet speaks for itself. Stokes denies the balance of the allegations contained in paragraph 92 of the complaint.

93. Stokes denies that the EDC Board was unaware that the “net proceeds” would be insufficient and denies that the Term Sheet contained any false statements. The Term Sheet speaks for itself. Stokes denies the balance of the allegations in paragraph 93.

94. Stokes denies any allegations that the Term Sheet contained false statements, misrepresentations, omissions or otherwise failed to disclose pertinent information. To the extent the other statements and/or allegations of paragraph 94 require a responsive pleading, Stokes denies the balance of said allegations as plead.

95. Stokes denies any allegations that the Term Sheet or the April 1 Projections contained false representations or statements or omitted any relevant information. Stokes admits that a portion of an email is quoted. The email speaks for itself. Stokes is without sufficient information to form a belief as to the truth of the remaining allegations contained in paragraph 95 of the Complaint and therefore denies the same.

96. Stokes admits a Term Sheet was sent to the EDC Board. Stokes is without sufficient information to form a belief as to the truth of the remaining allegations contained in paragraph 96 of the Complaint and therefore denies the same.

97. Stokes admits that on July 15, 2010 the EDC Board met in public and in executive session and heard presentations from Stokes, Saul & First Southwest concerning 38 Studios and the Term Sheet. Stokes admits that Stolzman was present and took the minutes as Secretary to the EDC. Stokes admits that Saul discussed the business terms and First Southwest reviewed the risks associated with the transaction. Stokes admits that the EDC Board authorized EDC staff and counsel to continue negotiations towards an authorizing resolution. Stokes denies any allegations that the EDC Board was not informed, aware or advised of a shortfall.

98. Stokes admits that First Southwest was EDC's financial advisor with respect to the 38 Studios transaction and would undertake tasks consistent with that role. Stokes denies any allegations that the Term Sheet contained false or misleading statements or that the EDC Board was deceived. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 98 of the Complaint and therefore denies the same.

99. Stokes denies the allegations that the Term Sheet contained any false statement or representations or that the EDC Board relied upon any false statements or representations. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 99 of the Complaint and therefore denies the same.

100. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 100 of the Complaint and therefore denies the same.

101. Stokes denies the allegations contained in paragraph 101 of the Complaint.

102. Stokes denies the allegations contained in paragraph 102 of the Complaint.

103. Stokes denies the allegations contained in paragraph 103 of the Complaint.

104. Stokes denies the allegations contained in paragraph 104 of the Complaint.

105. Stokes denies the allegations contained in paragraph 105 of the Complaint.

106. Stokes denies that the Term Sheet contained any false representation. Stokes admits that the Term Sheet became part of the Authorizing Resolution. Stokes admits that he and Maclean signed the Term Sheet. Stokes is without sufficient information to form a belief as to the truth of the balance of the allegations contained in paragraph 106 of the Complaint and therefore denies the same.

107. Stokes admits that on July 26, 2010, with Curt Schilling in attendance, the EDC Board convened and adopted the Authorizing Resolution prepared by the parties. Stokes denies the balance of the allegations contained in paragraph 107 of the Complaint.

108. Stokes admits that Afonso provided details regarding the Authorizing Resolution. Stokes denies that there were omissions or that the presentations of Afonso and Stolzman were misleading.

109. Stokes denies that the Authorizing Resolution or Term Sheet contained any misleading or false representations. Stokes neither admits or denies the allegations that the Term Sheet became an integral part of the Authorizing Resolution as that is legal conclusion. Stokes admits the balance of the allegations contained in paragraph 109 of the Complaint.

110. Stokes denies the allegations contained in paragraph 110 of the Complaint.

111. Stokes denies the allegations that the Term Sheet contained misrepresentations. Stokes is without sufficient information to form a belief as to the truth of the balance of the allegations contained in paragraph 111 of the Complaint and leaves EDC to its burden of proof.

Stokes denies the allegations contained in the following heading:

C. Defendants' Continued Concealment of the Shortfall

112. Stokes admits that a portion of a press release is quoted. The press release speaks for itself. Stokes denies that any false statements were made or that the Wells Fargo presentation was materially misleading, or that Stokes knew or should have know it was materially misleading.

113. Stokes neither admits nor denies the allegations contained in paragraph 113 as they do not require a responsive pleading as the language of the July 26, 2010 bond authorization speaks for itself. Stokes denies the allegations to the extent they mischaracterize the contents of the Authorizing Resolution.

114. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 114 of the Complaint and therefore denies the same.

115. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in the first sentence of paragraph 115 of the Complaint and therefore denies the same. The second sentence of paragraph 115 contains a legal conclusion to which no response is required.

116. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 116 of the Complaint and therefore denies the same.

117. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 117 of the Complaint and therefore denies the same.

118. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in the first sentence of paragraph 118 of the Complaint and therefore denies the same. Stokes admits that the second and third sentences of paragraph 118 characterize the Bond PPM. The Bond PPM speaks for itself. Stokes denies the second and third sentences to the extent they mischaracterize the Bond PPM. Stokes denies the allegations contained in the fourth sentence of paragraph 118.

119. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 119 of the Complaint and therefore denies the same.

120. Stokes denies the allegations contained in paragraph 120 that the EDC Board was unaware of a “shortfall” or that information was withheld from the EDC Board. Stokes is without sufficient information to form a belief as to the truth of the balance of the allegations contained in paragraph 120 of the Complaint and therefore denies the same.

121. Stokes admits the allegations in contained in paragraph 121 of the Complaint.

122. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 122 of the Complaint and therefore denies the same.

123. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 123 of the Complaint and leaves Plaintiff to its burden of proof.

124. Stokes is without sufficient information to form a belief as to when the document was forwarded to the Rating Agencies and therefore denies the same. Stokes denies the balance of the allegations contained in paragraph 124 of the Complaint.

125. Stokes denies the allegations contained in paragraph 125 of the Complaint.

126. Stokes denies the allegations contained in paragraph 126 of the Complaint.

127. Stokes admits that Wells Fargo was primarily responsible to market the sale of the EDC’s bonds. Stokes is without sufficient information to form a belief as to the truth of the balance of the allegations contained in paragraph 127 of the Complaint and leaves EDC to its burden of proof.

128. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 128 of the Complaint and therefore denies the same.

129. Stokes is without sufficient information to form a belief as to the truth of the balance of the allegations contained in paragraph 129 of the Complaint and therefore denies the same.

130. Stoke lacks sufficient information to form a belief as to the truth of the first sentence of paragraph 130 of the Complaint and therefore denies the same. Stokes admits the second sentence. Stokes denies the balance of the allegations contained in paragraph 130 of the Complaint.

131. Stokes denies the allegations contained in paragraph 131 of the Complaint.

132. Stokes admits the allegations contained in paragraph 132 of the Complaint that a BPA was executed. With respect to the balance of the allegations the BPA speaks for itself.

133. Stokes neither admits nor denies as the BPA speaks for itself.

134. Stokes denies the allegations that the Authorizing Resolution contained a false finding or representation, that Stokes knew or should have known the finding was false or that EDC was not authorized under the laws of the state to adopt the resolutions. Stokes admits that MacLean signed the BPA. Stokes is without sufficient information to form a belief as to the truth of the balance of the allegations contained in paragraph 134 of the Complaint and therefore denies the same.

135. Stokes neither admits nor denies the allegations in paragraph 135 as the BPA speaks for itself.

136. Stokes denies the allegations contained in paragraph 136 of the Complaint.

137. Stokes neither admits nor denies the allegations in paragraph 137 as the BPA for itself.

138. Stokes denies the allegations contained in paragraph 138 of the Complaint.

139. With respect to the language contained in the BPA, the document speaks for itself and Stokes makes no responsive pleading. Stokes denies the balance of the allegations contained in paragraph 139 of the Complaint.

140. Stokes admits that First Southwest was actively engaged since March, 2010 and that a formal engagement letter was executed on October 29, 2010. As to the remainder of the allegations contained in paragraph 140 quoting the Engagement Letter; the document speaks for itself.

141. Stokes neither admits nor denies as the Engagement Letter speaks for itself.

142. Stokes admits the allegations contained in paragraph 142 of the Complaint.

143. Stokes admits the allegations contained in paragraph 143 of the Complaint.

144. Stokes admits that 38 Studios was unable to complete Copernicus and filed for bankruptcy in 2012. Stokes admits that EDC staff and counsel were aware of the financial projections; however Stokes avers that the EDC Board was aware of the same financial projections. Stokes avers that the financial projections required that additional equity or debt financing would be required. Efforts by 38 Studios to obtain such equity or debt financing and to avoid filing for bankruptcy were thwarted by Governor Chaffee.

D. Allocation of the Bond Proceeds and the Bonds

145. Stokes denies the allegations contained in footnote 1. Stokes admits the balance of the allegations contained in paragraph 145 of the Complaint.

146. Stokes admits the allegations contained in paragraph 146 of the Complaint.

147. Stokes admits the allegations contained in paragraph 147 of the Complaint.

Stokes is without sufficient information to form a belief as to the truth of the allegations contained in the following heading:

E. Wells Fargo Secretly Received \$473,912.19 from 38 Studios

148. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 148 of the Complaint and therefore denies the same.

149. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 149 of the Complaint and therefore denies the same.

150. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 150 of the Complaint and therefore denies the same.

151. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 151 of the Complaint and therefore denies the same.

152. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 152 of the Complaint and therefore denies the same.

153. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 153 of the Complaint and therefore denies the same.

154. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 154 of the Complaint and therefore denies the same.

155. Stokes neither admits nor denies allegations regarding what the Bond Placement Agreement purportedly states as the document speaks for itself.

156. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 156 of the Complaint and therefore denies the same.

157. Stokes neither admits nor denies allegations regarding what the BPA purportedly states as the document speaks for itself. Stokes is without sufficient information to form a belief as to the truth of the balance of the allegations contained in paragraph 157 of the Complaint and therefore denies the same.

158. Stokes neither admits nor denies allegations regarding what the Bond PPM purportedly states as the document speaks for itself. Stokes is without sufficient information to form a belief as to the truth of the balance of the allegations contained in paragraph 158 of the Complaint and therefore denies the same.

159. Paragraph 159 contains conclusions of law to which no responsive pleading is required. To the extent any allegations require such a responsive pleading, Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 159 of the Complaint and therefore denies the same.

Stokes denies the allegations contained in the following heading to the extent a response is required:

F. Defendant Adler Pollock's and Saul's Failure to Disclose to the EDC Board the Negative Opinion of Experts

160. Stokes admits the allegations contained in paragraph 160 of the Complaint, except as to the date of the telephone conference, which Stokes neither admits nor denies.

161. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 161 of the Complaint and therefore denies the same.

162. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 162 of the Complaint and therefore denies the same.

163. Stokes admits that a written report was generated on June 10, 2010. Stokes is without sufficient information to form a belief as to the truth of the remaining allegations contained in paragraph 163 of the Complaint and therefore denies the same.

164. Stokes admits that paragraph 164 quotes a portion of a June 10, 2010 report of Strategy Analytics. The report speaks for itself. Stokes denies the allegations to the extent they mischaracterize the report. Stokes is without sufficient information to form a belief as to the truth of the remaining allegations contained in paragraph 164 and therefore denies the same.

165. Stokes admits the allegations contained in paragraph 165 of the Complaint.

166. Stokes admits that Harvey Cohen and Barry Gilbert made a PowerPoint presentation to the EDC Board at the June 14, 2010 meeting. The PowerPoint document speaks for itself. Stokes lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations and therefore denies the same.

167. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 167 of the Complaint and therefore denies the same.

168. Stokes admits the allegations contained in the first sentence of paragraph 168. Stokes admits that the allegations in the second sentence characterize the contents and email. The email speaks for itself. Stokes denies the allegations in the second sentence to the extent they mischaracterize the email.

169. Stokes admits that he and Stolzman met with Raimondo. Stokes denies the balance of the allegations contained in paragraph 169 of the Complaint.

Stokes denies the allegations contained in the following heading:

G. Defendants Adler Pollock and Stokes Improperly Denied the EDC Board the Opportunity to Reconsider

170. Stokes admits that Chafee was an outspoken critic of the 38 Studios' transaction. Stokes admits that Chafee sent a letter on August 5, 2010 setting forth objections, portions of which letter have been quoted. The letter speaks for itself. Stokes denies the allegations to the extent they mischaracterize the August 4, 2010 letter.

171. Stokes admits that he responded to Chafee by letter on August 9, 2010, drafted by Stolzman. Stokes admits that portions of the letter are quoted in paragraph 171. The letter speaks for itself. Stokes denies the allegations to the extent they mischaracterize the contents of the letter. Stokes denies that the contents of the letter were misleading or downright false and otherwise denies the balance of the allegations contained in paragraph 171 of the Complaint.

172. Stokes admits that members of the EDC Board were notified that the August 16, 2010 meeting of the EDC Board was cancelled. Stokes admits that portions of an EDC Board member are quoted. The email speaks for itself. Stokes denies the allegations regarding the email to the extent they mischaracterize the contents of the email. Stokes denies the balance of the allegations contained in paragraph 172 of the Complaint.

173. Stokes admits that the EDC Board had an August, 2010 meeting. Stokes denies the allegations contained in paragraph 173 of the Complaint.

174. Stokes denies the allegations concerning a plan and admits the balance of the allegations contained in the Complaint.

Stokes denies the allegations contained in the following heading:

H. Stolzman Did Not Correct the False Legal Opinion That Stokes Gave to the EDC Board to Keep Them From Reconsidering the 38 Studios Transaction.

175. Stokes admits the allegations contained in paragraph 175 of the Complaint characterize the contents of a letter from Frank Caprio to the EDC Board. The letter speaks for itself. Stokes denies the allegations to the extent they mischaracterize the contents of the letter. Stokes admits the allegations in the second sentence of paragraph 175 of the Complaint.

176. Stokes denies the allegations contained in paragraph 176 of the Complaint.

177. Stokes denies the allegations that the Authorizing Resolution and agreement to the Term Sheet were procured through misrepresentations. Stokes admits that on August 31, 2010 the final contract documents had not yet been negotiated. Stokes neither admits nor denies the legal conclusions set forth in paragraph 177 of the Complaint.

178. Stokes admits Stolzman sent him an email. The email speaks for itself. Stokes denies the allegations to the extent they mischaracterize the contents of the email. Stokes denies the balance of the allegations contained in paragraph 178 of the Complaint.

179. Stokes denies the allegations contained in paragraph 179 of the Complaint.

Stokes denies the allegations contained in the following heading:

I. Defendants Failed to Implement the EDC Board's Requirement for Third-Party Assessment and Monitoring

180. Stokes denies the allegations contained in paragraph 180 of the Complaint.

181. Stokes denies the allegations as pled and avers that the EDC Board never requested such a presentation. The EDC Board had received numerous presentations from EDC staff, outside analysts including Strategic Analysts and First Southwest, and presentations from 38 Studios and Wells Fargo.

182. Stokes admits the definition of a completion bond. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 182 of the Complaint and therefore denies the same.

183. Stokes admits that such a memorandum was prepared and circulated. Stokes admits that the allegations in paragraph 183 characterize the contents of the memorandum. The memorandum speaks for itself. Stokes denies the allegations contained in paragraph 183 to the extent they mischaracterize the Stokes denies the balance of the allegations contained in paragraph 183 of the Complaint.

184. Stokes admits the allegations contained in paragraph 184 characterize the contents and/or quote the contents of a confidential memorandum. The memorandum speaks for itself. Stokes denies the allegations to the extent they mischaracterize the memorandum.

185. Stokes admits the allegations contained in paragraph 185 that allege the existence and revision of a Term Sheet and that a portion thereof is quoted. The Term Sheet speaks for itself. Stokes denies the allegations to the extent they mischaracterize the Term Sheet. Stokes is without sufficient information to form a belief as to the remaining allegations and therefore denies the same.

186. Stokes denies the allegations contained in paragraph 186 of the Complaint.

187. Stokes denies the allegations contained in paragraph 187 of the Complaint.

188. Stokes denies the allegations contained in paragraph 188 of the Complaint.

189. Stokes admits the allegations that EDC attempted to negotiate a direct agreement with a third party monitor and denies the remaining allegations contained in paragraph 189 of the Complaint.

190. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 190 of the Complaint and therefore denies the same.

191. Stokes admits that IBM entered into an agreement with 38 Studios. Stokes denies any allegations that an initial assessment was to take place and all allegations based thereon. As to the allegations concerning what the agreement with IBM provided, Stokes answers that the document speaks for itself. Stokes denies and mischaracterization of the document and otherwise denies the balance of the allegations contained in paragraph 191 of the Complaint.

192. Stokes denies the allegations contained in the first sentence of paragraph 192 of the Complaint. The allegations contained in the second sentence of paragraph 192 quote a portion of correspondence from Stolzman to which no responsive pleading is required as the document speaks for itself. Stokes denies the allegations to the extent they mischaracterize the document.

193. Stokes denies the allegations contained in paragraph 193 of the Complaint.

194. Stokes denies the allegations contained in paragraph 194 of the Complaint.

Stokes denies the allegations contained in the following heading:

J. Defendants Negligently Drafted the Loan and Trust Agreement

195. Stokes admits that he reviewed the Loan and Trust Agreement and otherwise denies the allegations.

196. Stokes denies the allegations contained in paragraph 196 of the Complaint.

197. Stokes denies the allegations contained in paragraph 197 of the Complaint.

198. Stokes denies the allegations contained in paragraph 198 of the Complaint.

Stokes denies the allegations contained in the following heading:

K. Defendants' Concealment of Their Failure to Obtain Meaningful Third-Party Monitoring

199. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 199 of the Complaint and therefore denies the same.

200. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 200 of the Complaint and therefore denies the same.

201. Stokes denies the allegations contained in paragraph 201 of the Complaint.

202. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 202 of the Complaint and therefore denies the same.

203. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 203 of the Complaint and therefore denies the same.

204. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 204 of the Complaint and therefore denies the same.

205. Stokes admits that an opinion was given and that the document speaks for itself as to what is contained therein. Stokes denies the allegations to the extent they mischaracterize the document. Stokes denies the balance of the allegations contained in paragraph 205 of the Complaint.

206. Stokes admits that an opinion was given and that the document speaks for itself as to what is contained therein. Stokes denies the allegations to the extent they mischaracterize the document. Stokes denies the balance of the allegations contained in paragraph 206 of the Complaint.

207. Stokes admits a closing took place on November 2, 2010 and denies the remaining allegations contained in paragraph 207 of the Complaint.

Stokes denies the allegations contained in the following heading:

L. Defendants' Further Failure to Obtain the IBM Initial Assessment

208. Stokes admits the allegations contained in paragraph 208 of the Complaint characterize the contents of an agreement between 38 Studios and IBM. The agreement speaks for itself. Stokes denies the allegations to the extent they mischaracterize the agreement.

209. Stokes admits the allegations contained in paragraph 209 of the Complaint characterize the contents of an agreement between 38 Studios and IBM. The agreement speaks for itself. Stokes denies the allegations to the extent they mischaracterize the agreement. Stokes denies the allegations contained in paragraph 209 of the Complaint as to him but is without sufficient information to form a belief as to the truth of the remaining allegations contained in paragraph 209 of the Complaint and therefore denies the same.

210. Stokes denies the allegations contained in paragraph 210 of the Complaint as to him but is without sufficient information to form a belief as to the truth of the remaining allegations contained in paragraph 210 of the Complaint and therefore denies the same.

211. Stokes admits that the closing occurred on November 2, 2010. Stokes denies the remaining allegations set forth in paragraph 211 of the Complaint.

212. Stokes admits that the allegations contained in paragraph 212 characterize the contents of a report prepared by IBM. The report speaks for itself. Stokes denies the allegations to the extent they mischaracterize the contents of the report. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in the balance of paragraph 212 of the Complaint.

COUNT I
(Breach of Fiduciary Duty)

213. Stokes repeats and restates his answers to paragraphs 1 through 212.

214. Stokes neither admits nor denies the allegations contained in paragraph 214 of the Complaint as they call for legal conclusions to which no responsive pleading is required. To the extent such a pleading is required, Stokes denies the allegations.

215. Stokes neither admits nor denies the allegations contained in paragraph 215 of the Complaint as they call for legal conclusions to which no responsive pleading is required. To the extent such a pleading is required, Stokes denies the allegations.

216. Stokes is without sufficient information to form a belief as to the truth of the allegations contained in paragraph 216 of the Complaint and therefore denies the same.

217. Stokes denies the allegations contained in paragraph 217 of the Complaint.

218. Stokes denies the allegations contained in paragraph 218 of the Complaint.

219. Stokes denies the allegations contained in paragraph 219 of the Complaint.

COUNT II
(Breach of Fiduciary Duty-Wells Fargo's Hidden Commissions)

Paragraphs 220 to 225 relate to claims against other defendants and therefore no responsive pleading is required by Stokes.

COUNT III
(Fraud)

226. Stokes repeats and restates his answers to paragraphs 1 through 212.

227. Stokes denies the allegations contained in paragraph 227 of the Complaint.

228. Stokes denies the allegations contained in paragraph 228 of the Complaint.

229. Stokes denies the allegations contained in paragraph 229 of the Complaint.

230. Stokes denies the allegations contained in paragraph 230 of the Complaint.

COUNT IV
(Fraudulent Misrepresentations and Omissions)

- 231. Stokes repeats and restates his answers to paragraphs 1 through 212.
- 232. Stokes denies the allegations contained in paragraph 232 of the Complaint.
- 233. Stokes denies the allegations contained in paragraph 233 of the Complaint.
- 234. Stokes denies the allegations contained in paragraph 234 of the Complaint.

COUNT V
(Negligent Misrepresentation)

- 235. Stokes repeats and restates his answers to paragraphs 1 through 212.
- 236. Stokes denies the allegations contained in paragraph 236 of the Complaint.
- 237. Stokes denies the allegations contained in paragraph 237 of the Complaint.
- 238. Stokes denies the allegations contained in paragraph 238 of the Complaint.
- 239. Stokes denies the allegations contained in paragraph 239 of the Complaint.

COUNT VI
(Legal Malpractice)

Paragraphs 240 to 244 relate to claims against other defendants and therefore no responsive pleading is required by Stokes.

COUNT VII
(Negligence)

- 245. Stokes repeats and restates his answers to paragraphs 1 through 212.
- 246. Stokes denies the allegations contained in paragraph 246 of the Complaint.
- 247. Stokes denies the allegations contained in paragraph 247 of the Complaint.

COUNT VIII
(Breach of Implied Covenant of Good Faith and Fair Dealing)

- 248. Stokes repeats and restates his answers to paragraphs 1 through 212.

249. Stokes denies the allegations contained in paragraph 249 of the Complaint.
250. Stokes denies the allegations contained in paragraph 250 of the Complaint.
251. Stokes denies the allegations contained in paragraph 251 of the Complaint.

COUNT IX

(Damages under R.I. Gen. Laws §42-64-9.3 (Criminal Penalties Including Damages for Violation R.I. Gen. Laws §42-64-1 et seq.))

252. Stokes repeats and restates his answers to paragraphs 1 through 212.
253. Stokes denies the allegations contained in paragraph 253 of the Complaint.
254. Stokes denies the allegations contained in paragraph 254 of the Complaint.
255. Stokes denies the allegations contained in paragraph 255 of the Complaint.
256. Stokes denies the allegations contained in paragraph 256 of the Complaint.

COUNT X

(Mandatory Final Injunction Pursuant to EDC Enforcement Powers)

Paragraphs 257 through 263 relate to a claim that has been dismissed by this Court and therefore do not require a responsive pleading.

COUNT XI

(Civil Damages under R.I. Gen. Law §9-1-2 Based upon Violations Of R.I. Gen. Laws §§ 11-18-1, 11-18-6, 11-18-7, 11-8-8, or 11-41-4)

Paragraphs 264 through 270 comprising Count XI relate to claims against defendants other than Stokes and do not require a responsive pleading from Stokes.

COUNT XII

(R.I. RICO (sub-section (a)))

Paragraphs 271 through 281 comprising Count XII relate to claims against defendants other than Stokes and do not require a responsive pleading from Stokes.

COUNT XIII

(R.I. RICO (sub-section (c)))

Paragraphs 281 through 289 comprising Count XIII relate to claims against defendants other than Stokes and do not require a responsive pleading from Stokes.

**COUNT XIV
(Civil Conspiracy)**

Paragraphs 290 through 294 comprising Count XIV relate to claims against defendants other than Stokes and do not require a responsive pleading from Stokes.

**COUNT XV
(Unjust Enrichment)**

- 295. Stokes repeats and restates his answers to paragraphs 1 through 212.
- 296. Stokes denies the allegations contained in paragraph 296 of the Complaint.
- 297. Stokes denies the allegations contained in paragraph 297 of the Complaint.
- 298. Stokes denies the allegations contained in paragraph 298 of the Complaint.

**COUNT XVI
(Declaratory Relief on Liability)**

- 299. Stokes repeats and restates his answers to paragraphs 1 through 212.
- 300. Stokes denies the allegations contained in paragraph 300 of the Complaint.
- 301. Stokes denies the allegations contained in paragraph 301 of the Complaint.

AFFIRMATIVE DEFENSES

In response to the EDC's First Amended Complaint, Stokes hereby asserts the following defenses:

FIRST DEFENSE

EDC failed to mitigate its damages, if any. By way of example only, at the express instruction of its Chairman ex officio, Governor Lincoln Chafee, the EDC failed and refused to initially meet with or faithfully engage representatives of 38 Studios in 2011 and early 2012 about restructuring the existing debt obligations of 38 Studios to EDC. Further, Governor Chafee prohibited discussion of such issues by the EDC Board. Such conduct constitutes a violation of EDC's obligations to act in good faith and deal fairly with its borrower and of its duty to mitigate damages.

SECOND DEFENSE

The Complaint fails to state a claim upon which relief may be granted.

THIRD DEFENSE

Stokes is not legally responsible for the acts or omissions alleged in the Complaint and its alleged acts and omissions are not the proximate cause of EDC's injury. By way of example only, EDC's refusal as aforesaid to speak to, meet with or engage 38 Studios, or otherwise properly manage the loan to 38 Studios after it was made, were the proximate cause of 38 Studios' collapse and EDC's claimed injuries.

FOURTH DEFENSE

The Complaint and the injuries complained of are barred by EDC's assumption of risk. The transaction at the heart of the Complaint was known and accepted by EDC's to be high risk.

FIFTH DEFENSE

The Complaint and the injuries complained of are barred and/or reduced by EDC's comparative negligence.

SIXTH DEFENSE

The Complaint is barred by the doctrine of estoppel and waiver.

SEVENTH DEFENSE

The Complaint fails to join indispensable parties under Rule 19.

EIGHTH DEFENSE

The Complaint is barred by the doctrine of *in pari delicto*.

NINTH DEFENSE

The Complaint is barred by the doctrine of unclean hands.

TENTH DEFENSE

The Complaint is barred because Plaintiff lacks standing to sue and has suffered no injury.

ELEVENTH DEFENSE

The EDC's claims are barred in whole or in part by the economic-loss rule.

TWELVETH DEFENSE

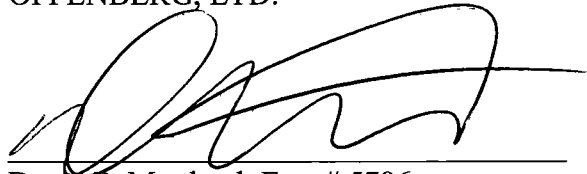
The EDC's claims are barred in whole or in part by the voluntary-payment doctrine.

WHEREFORE, having fully answered the EDC's First Amended Complaint, Stokes demands that judgment be entered in its favor, that it be awarded the costs of this action, including

reasonable attorney fees, and that the Court award it such other and further relief as the Court deems just and proper.

Defendant, Keith Stokes

By his attorneys
SILVA, THOMAS, MARTLAND &
OFFENBERG, LTD.

A handwritten signature in black ink, appearing to read 'David P. Martland', is written over a horizontal line.

David P. Martland, Esq. # 5796
Silva, Thomas, Martland & Offenberg, Ltd.
1100 Aquidneck Avenue
Middletown, RI 02842
Phone: (401) 849-6200 Fax: (401) 849-1820

Certificate of Service

I hereby certify that on this 24th day of September 2013, a true and accurate copy of the foregoing was served on counsel for all parties via first-class mail, postage pre-paid, to:

Max Wistow, Esq.
Stephen P. Sheehan, Esq.
Wistow, Barylick, Sheehan & Loveley, P.C.
61 Weybosset Street
Providence, RI 02903

William M. Dolan, II, Esq.
Brown Rudnick LLP
10 Memorial Boulevard
Providence, RI 02903

Bruce W. Gladstone, Esq.
Cameron & Mittleman LLP
301 Promenade Street
Providence, RI 02908

Gerald J. Petros, Esq.
Mitchell R. Edwards, Esq.
Hinckley Allen Snyder, LLP
50 Kennedy Plaza, Ste 1500
Providence, RI 02903

Brooks R. Magratten, Esq.
Pierce Atwood LLP
10 Weybosset Street, Suite 400
Providence, RI 02903

Thomas F. Holt, Jr., Esq.
Christopher J. Valente, Esq.
John Blessington, Esq.
K&L Gates LLP
State Street Financial Center
One Lincoln Street
Boston, MA 02111-2950

Michael F. Connolly, Esq.
Joseph P. Curtin, Esq.
Allison W. Phinney, Esq.
Erin Cornell Horton, Esq.
Mintz, Levin, Cohn, Ferris, Glovsky
and Popeo PC
One Financial Center
Boston, MA 02111

Robert M. Duffy, Esq.
Byron L. McMasters, Esq.
Duffy & Sweeney, Ltd.
1800 Financial Plaza
Providence, RI 02903

Jonathan Bell, Esq.
Mark A. Berthiaume, Esq.
Timothy E. Maguire, Esq.
Greenberg Traurig
One International Place
Boston, MA 02110

Jeffrey C. Schreck, Esq.
99 Wayland Avenue, Suite 200
Providence, RI 02906

David A. Grossbaum, Esq.
Samuel C. Bodurtha, Esq.
Matthew R. Watson, Esq.
HINSHAW & CULBERTSON LLP
321 S. Main Street, Suite 301
Providence, RI 02903

Michael P. Duffy, Esq.
Frederick E. Connelly, Jr., Esq.
Christopher Conroy, Esq.
Peabody & Arnold LLP
Federal Reserve Plaza
600 Atlantic Avenue
Boston, MA 02210

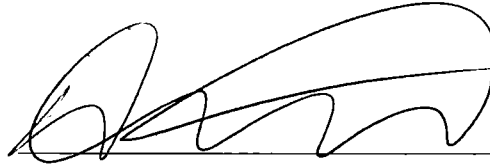
James E. Brandt, Esq.
Craig Batchelor, esq.
Latham & Watkins LLP
885 Third Avenue
New York, NY 10022

Carl E. Metzger, Esq.
Sarah Heaton Concannon, Esq.
Josh L. Launer, Esq.

Brian E. Robison, Esq.
Russell H. Falconer, Esq.
Gibson, Dunn & Crutcher LLP
2100 McKinney Avenue, Suite 1100
Dallas, TX 75201-6912

Irons & Associates Court Reporters
33 Rollingwood Drive
Johnston, RI 02919

Thomas E. Duncombe, Esq.
Goodwin Procter LLP
Exchange Place
53 State Street
Boston, MA 02109

A handwritten signature in black ink, appearing to read 'David P. Martland', is written over a horizontal line.

David P. Martland